sulphur content to within acceptable limits.

(iii) Already, LSHS is on OGL and this freedom would be extended for non-traditional fuels like condensate and orimulsion subject to actual user condition.

(iv) However, there would be no obligation for Oil PSUs to give fresh linkages for any new projects, except Naphtha based projects within a ceiling of 12000 MW and projects based on other fuels for which linkages have already been issued.

The modified policy enabbles State Governments to promote power plants on fuels other than Naphtha without any quantitative rstriction, Additional requirement of naphtha has also to be accommodated within the revised policy.

Private Participation in Exploration Activities

2556. SHRI KRISHNA KUMAR BIRLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have taken a decision to speed up necessary action for encouraging private participation for both Indian and foreign exploration activities;

(b) if so, the details of the fresh steps taken in this direction;

(c) whether the exploration activities of the ONGC are not found satisfactory; and

(d) if so, the reasons therefor and efforts taken to boost exploration activities by ONGC?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) and (b) In keeping with the Policy of Government of India for encouraging Pvt. participation to suplement the activities of National Oil companies by both Indian and foreign private companies in exploration activities, Government of India has been inviting offers from these companies from time to time. On the basis of offers received since 1992 Government of India has earned Production Sharing Contracts for 15 exploration blocks. In addition to the above, to increase the pace of exploration in the country and to encourage Pvt. participation, Government of India has announced New Exploration Licensing Policy. The major incentives provided under NELP to Pvt. companies include—

—Level playing field to National Oil companies viz-z-viz Private Oil companies.

—Freedom to contractors for maketing of crude oil & gas in domestic market.

—Royalty Payment for oil at the rate of 12.5% for onland and 10% for offshore areas with 5% for first 7 years of production for deep water areas beyond 400m bathymetry.

—Abolition of cess

—Exemption from payment of import duty on goods imported for petroleum operations.

—Abloition of signature, discovery or production bonuses.

—Seven year tax holiday from date of commencement of Commercial Production.

—Fiscal stability to contractor during entire period of contract.

(c) No Sir.

(d) Does not arise.

Disputed Tax Liability of the ONGC

2557. DR. ALLADI P. RAJKUMAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the disputed tax liability of the ONGC works out to some 2157 crores, as reported in the Indian Express, dated 18th June, 1998;